

Submission to the Senate Inquiry into AI and Data Centres ATN Universities

1 September 2026

ATN Universities advocate for an AI future supported by enabling infrastructure that invests in Australians by equipping them with the skills they need to excel and by enhancing research opportunities

1. The Australian Technology Network of Universities represents Australia's most applied, industry-connected universities: Curtin University, Deakin University, RMIT University, the University of Newcastle and the University of Technology Sydney.
2. Our member universities are central to preparing Australians for an AI-enabled economy by working alongside industry to deliver practical education and vastly increased work-integrated learning opportunities. We welcome the opportunity to contribute to the Committee's work in reviewing the regulatory framework currently in place for data centres as governments work towards a nationally coordinated outcome.
3. ATN members are committed to the safe adoption of AI. We are consciously embedding AI where it can be useful in learning environments. RMIT's Generative AI Lab for Education (GAILE) translates AI strategy into informed, responsible educator practice. We publish research on AI developments and what it means for public policymakers and industry. UTS' Human Technology Institute has developed its AI Governance Operating Model and other tools for enabling safe adoption in the interests of Australian workers and communities.

The scale and impact of artificial intelligence and data centres in Australia will benefit from a nationally coordinated, mandatory, and well-designed set of governing frameworks

Capacity

4. Australia has around 1.4 GW of installed data centre capacity across 250 sites, with another 6 GW in the development pipeline out to 2030. While AI's share of the power consumption currently sits around a third, this is expected to grow to be a majority in 2027. The pace of change and speed with which investment is growing means it is important to work with states and territories to set national standards now.

National coordination

5. ATN Universities notes that on 15 July 2026, the Prime Minister announced the establishment of the Office of AI in the Department of the Prime Minister and Cabinet. The announcement states that the data centre 'Expectations' announced in March 2026 will be brought into one regulatory framework that is clear, consistent and mandatory with legislation to come in early 2027. The National Cabinet communique of 26 August 2026 affirmed that the Commonwealth would work with states and territories to achieve this.
6. ATN Universities considers that the Office of AI leading work to develop a nationally coordinated framework is an appropriate and robust approach that could provide crucial assurance to the Australian public that investment is being landed in a way that benefits Australians and protects their interests.

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7. On 24 August 2026, the bipartisan Joint Select Committee on AI was established. Its terms of reference are broader than this Committee's. ATN Universities' submission to this Committee focuses on the regulatory framework for data centres and we will contribute a submission to the Joint Select Committee that sets out ATN Universities' recommendations on AI matters within the scope of that Committee.

The Committee should treat the upcoming national framework as its subject, and use its report to supply standards the framework can adopt

8. The Commonwealth has made the decision to develop a mandatory framework. This Committee's core focus on the regulatory framework is timely given the Office of AI's remit. The Office of AI is yet to announce a consultation process, timeline, terms of reference or contact point. This gives this Committee a clear and specific gap to fill. This Committee has an opportunity to provide a means of scrutiny and transparency to the emerging mandatory framework.
9. This Committee's report being delivered on 16 November 2026 positions the Committee well to support the drafting of the legislation. If the Committee can make informed recommendations that provide drafted standards, there is an opportunity to contribute to a robust national regulatory framework.

Identified gaps

10. Three of the five March 2026 Expectations have no content yet. The obligations detailed in the Prime Minister's 15 July 2026 announcement are a specification of Expectation 2 (energy) and Expectation 3 (water). Expectations 1, 4 and 5 are within the scope of the framework and yet unspecified.

Productivity: Investment in the workforce for durable skills

11. March 2026 Expectation 4 asks data centre operators to "invest in developing a skilled domestic workforce, including through apprenticeships and other structured training pathways" and to "work collaboratively with governments, unions, education and training providers, and other employers." It does not specify a standard, measure or reporting duty. The inclusion of further detail in the mandatory framework will create a clearer obligation for operators to follow and provide information a regulator can use to assess compliance.
12. In light of the pace of change in the sector, skills and workforce obligations should rely on existing or in-development Commonwealth machinery: the Australian Qualifications Framework, the National Skills Taxonomy, and the National Credit Recognition Framework announced in March 2026. States and territories are already showing how this can be done. The NSW experience has explored both in-house proprietary academies and public-provider partnerships as existing practice.

Recommendation 1

13. The framework should carry Expectation 4 as a four-part reportable standard, attached as a condition of approval or licence alongside the energy and water conditions:
 - 13.1. training delivered to nationally recognised qualifications, or to short courses with documented credit articulation arrangements into recognised qualifications
 - 13.2. formal partnership with at least one public training provider or university, named in the approval
 - 13.3. annual public reporting of training data that works towards defined targets; and

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13.4. a workforce plan proportionate to project scale and duration, lodged at approval.

Resilience: The compute access commitment is too broad to enable accountability

14. Expectation 5 states that providers of large-scale compute "are expected to contribute to research and innovation, including by enabling access to compute for Australian start-ups, innovative small businesses, researchers and not-for-profits on favourable terms." Currently there are no requirements to define the share of compute, what access pathway exists, the price of compute or reporting obligations. The published comments about the national framework haven't given more specificity to this general requirement.
15. The United Kingdom's AI Research Resource (AIRR) Innovator program is a working design precedent for providing AI capacity for public purposes. The AIRR is a growing suite of advanced computing capacity that the UK Government provides to researchers and small and medium enterprises. Applicants could apply for 50,000 to 150,000 GPU hours for R&D including industrial research and experimental development. The UK is also aiming to expand AIRR capacity by at least 20 times by 2030 as part of the AI Opportunities Action Plan.

Recommendation 2

16. The framework should define the compute obligation as a set-aside proportion of capacity to be made available for research and innovation, with a published application pathway, published allocation decisions and annual public reporting on the capacity provided. Since data centres can change ownership and the actual compute is controlled by the companies renting it, the obligation should be located with the renting companies (e.g. the AI hyperscalers).

Resilience: Growing energy industry capacity rather than stretching it

17. The sector requires roughly 8,300 additional skilled workers by 2030 in NSW alone, creating competition for electrical and related trades that the energy system rebuild needs. The NSW Guidelines acknowledge this directly. If qualified people are hired away from the energy transition, the lack of "spare" skills capacity would risk worsening shortages.

Recommendation 3

18. The framework should require workforce plans to demonstrate *net addition* to the skilled workforce: apprentices and trainees commenced, and completions supported, rather than setting static employment numbers. These should be reported against the plan lodged at approval.

Fairness: National consistency is needed in capability expectations so all states can benefit

19. NSW has written March 2026 Expectations 4 and 5 into six principles with performance measures attached. Victoria has committed government to partner with TAFEs and tertiary providers and to ensure jobs stay in Victoria, but as a government program rather than a developer-facing obligation. South Australia is legislating a dedicated planning pathway, essential-infrastructure designation and Coordinator-General powers with no capability conditions. No dedicated data centre capability requirement has been identified in Queensland, Western Australia, Tasmania, the Australian Capital Territory or the Northern Territory.

Recommendation 4:

20. Capability conditions belong in the national standard rather than being left to individual jurisdictions. New South Wales has written performance measures under their new Data Centre Guidelines, explicitly aimed to implement the Commonwealth's March *Expectations* on capability. The Commonwealth should take these as a starting point for development and national adoption.

THE KEY MESSAGES FROM ATN UNIVERSITIES

21. It is crucial for productivity and resilience that robust standards are recommended in skills and workforce capabilities, compute access and sovereign capabilities, and energy industry capacity.
22. A robust national framework that established meaningful minimum standards while allowing flexibility across jurisdictions will promote fairness and national consistency. This is important to avoid the 'race to the bottom' which has been observed in comparable jurisdictions overseas.
23. The work of this Committee needs to be done in concert with the work now in progress being led by the Office of AI, as well as the new Joint Select Committee on AI.
24. We would welcome the opportunity to speak to the Committee at a hearing so we can further contribute to this work assuring the robustness of Australia's regulatory frameworks governing AI and AI infrastructure.

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